

AGENDA ITEM FOR ADMINISTRATIVE MEETING ( ) Discussion only  
( X ) Action

FROM (DEPT/ DIVISION): County Counsel

SUBJECT: Expansion of Greater Hermiston Enterprise Zone

<p>Background:</p> <p>The City of Hermiston is seeking to expand the Greater Hermiston Enterprise Zone to include additional property outside the city limits. Approximately 1.34 square miles is proposed to be included in the zone. The area to be included is set out in the attached map. The matter is before the Board for consideration.</p>	<p>Requested Action:</p> <p>Adopt Order No. BCC2022-010</p>
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ATTACHMENTS: Map; City Letter; Zones; Proposed Order

\*\*\*\*\*For Internal Use Only\*\*\*\*\*

Checkoffs:

- ( ) Dept. Heard (copy)
- ( ) Human Resources (copy)
- ( X ) Legal (copy)
- ( ) (Other - List:)

To be notified of Meeting:

Needed at Meeting:

\*\*\*\*\*

Scheduled for meeting on: March 16, 2022

Action taken:

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Follow-up:



January 27, 2022

[Contact person/title District/agency Address, ... ]

**Subject: Change to the Greater Hermiston Enterprise Zone Boundary**

Dear \_\_\_\_\_:

This letter is to inform you that the City of Hermiston and Umatilla County are proposing to modify the boundaries of the Greater Hermiston Enterprise Zone. We will submit documentation to Business Oregon (state Business Development Department) for it to determine that the boundary change satisfies statutory requirements.

**Notice**

Your district is being notified of this boundary change, because the enterprise zone as amended would include all or parts of one or more tax code areas, in which your district levies taxes on property value. The area being proposed for addition is all properties in the area generally bounded by the Umatilla River on the West, Feedville Road on the North, Hermiston-Hinkle Road on the East, and the Union Pacific Railroad Main Line on the South. A map is attached for clarity. In an enterprise zone, certain types of businesses that create new jobs may receive exemptions of limited duration on qualified new property that they invest in the zone.

Your district's board is welcome to submit written comments. For questions or providing commentary:

Mark Morgan, GHEZ Administrator  
235 E Gladys Ave.  
Hermiston, OR 97838  
(541) 567-5521

Anticipated times and dates for the City and the County to independently consider resolutions to modify the enterprise zone are as follows:

**Hermiston City Council** (415 S Hwy 395., Hermiston, OR) at 7:00 p.m. February 28, 2022  
**Umatilla County Commission** (216 SE 4<sup>th</sup> St., Pendleton, OR) at 9:00a.m., March 2, 2022

**An Enterprise Zone and Property Tax Abatement**

These zones in Oregon are discrete areas up to 15 square miles in size and have been in existence since the mid-1980s. Each designation lasts up to 11 years. They are intended to induce additional investment and employment by non-retail businesses in areas meeting certain measures of economic hardship. They have proven to be Oregon's key offering in the pursuit of business growth and expansion. Their effectiveness is due to a typically short-term but immediate benefit for the business project's cash flow.

General information is available online at:

<https://www.oregon.gov/biz/programs/enterprisezones/Pages/default.aspx> .



**Administrative  
Offices**

The existing Greater Hermiston Enterprise Zone consists of about 9 square miles. The addition of the new proposed area will add about 1.34 square miles, for a 15% increase in total area in the zone.

An Oregon enterprise zone exempts only new property that an eligible business might build or install in the zone at some future time. A qualifying investment under the standard exemption program entails the creation of new full-time employment in the zone—greater of one new job or a 10 percent increase.

A standard enterprise zone exemption is temporary, usually lasting only three years, after which time the property induced by these incentives is available for assessment, possibly for decades. Extensions of the exemption period to four or five years in total (or even longer under a different rural facility program) are possible subject to written agreement with the governments sponsoring the zone, higher compensation for new employees, and possibly additional local requirements.

These property tax exemptions are not available to just any business. Most commercial or retail operations are ineligible. Rather, the primary recipients of enterprise zone benefits are manufacturing and other types of facilities serving other business operations.

**Policy and Economic Reasons for Seeking Enterprise Zone Expansion**

Since 2005, the GHEZ is responsible for attracting \$381 million in new capital investment to the area. While some investments are still within their exemption period, \$84 million worth of investments have been added to the tax rolls benefitting all local government and education entities. Additionally, these investments have created 509 new full-time jobs resulting in more than \$23 million of new annual payroll circulating through the economy of Hermiston and western Umatilla County as of 2020.

The Regional Water System, paid for by the City of Hermiston, Port of Umatilla, and various private entities, continues to attract strong interest in industrial development to the area near OR207 and Feedville Road. The industries interested in developing there are traded-sector businesses with international clients, and generally search the entire Western United States for appropriate locations. These industries, while attracted to the Hermiston area for various reasons, are often considering several finalist locations in other regions across the western U.S., and make final siting decisions based on the financial value of local incentives.

Please don't hesitate to contact me with any questions.

Sincerely,



Mark Morgan  
Assistant City Manager  
Greater Hermiston Enterprise Zone Administrator

C: Rachael Reynolds, Umatilla County Assessor  
Special Districts Association of Oregon

## 2021 - 2022 Tax Rates By Code Area

### CODE AREA - 0803

DIST ID	NAME	TOTAL	EDUCATION	GOVERNMENT	NON-LIMITED	AV
0001	GENERAL COUNTY	2.8487		2.8487		
0208	SCHOOL DIST #8 HERMISTON	4.8877	4.8877			
0320	INTERMOUNTAIN E.S.D.	0.6156	0.6156			
0330	BMCC	0.6611	0.6611			
0331	BMCC BOND	0.1978			0.1978	
0350	PORT OF UMATILLA	0.1539		0.1539		
0413	UMATILLA COUNTY FIRE DIST 1	1.7500		1.7500		
0450	UMATILLA MORROW RADIO & DATA DISTRI	0.1700		0.1700		
0508	CEMETERY DIST 8 HERMISTON	0.0923		0.0923		
0650	W. UMATILLA MOSQUITO CONTROL	0.2021		0.2021		
0690	UMATILLA SPECIAL LIBRARY DIST	0.3682		0.3682		
0861	UMATILLA COUNTY FIRE DIST BOND #1	0.1598			0.1598	
2882	SCHOOL DIST #8 HERMISTON BOND - 2	3.5137			3.5137	
		<b>15.6209</b>	<b>6.1644</b>	<b>5.5852</b>	<b>3.8713</b>	<b>\$1,176,027,092</b>

### CODE AREA - 0804

DIST ID	NAME	TOTAL	EDUCATION	GOVERNMENT	NON-LIMITED	AV
0001	GENERAL COUNTY	2.8487		2.8487		
0208	SCHOOL DIST #8 HERMISTON	4.8877	4.8877			
0320	INTERMOUNTAIN E.S.D.	0.6156	0.6156			
0330	BMCC	0.6611	0.6611			
0331	BMCC BOND	0.1978			0.1978	
0350	PORT OF UMATILLA	0.1539		0.1539		
0413	UMATILLA COUNTY FIRE DIST 1	1.7500		1.7500		
0450	UMATILLA MORROW RADIO & DATA DISTRI	0.1700		0.1700		
0508	CEMETERY DIST 8 HERMISTON	0.0923		0.0923		
0640	UMATILLA HOSPITAL DIST	0.4820		0.4820		
0650	W. UMATILLA MOSQUITO CONTROL	0.2021		0.2021		
0690	UMATILLA SPECIAL LIBRARY DIST	0.3682		0.3682		
0861	UMATILLA COUNTY FIRE DIST BOND #1	0.1598			0.1598	
2882	SCHOOL DIST #8 HERMISTON BOND - 2	3.5137			3.5137	
		<b>16.1029</b>	<b>6.1644</b>	<b>6.0672</b>	<b>3.8713</b>	<b>\$44,757,799</b>

### CODE AREA - 0805

DIST ID	NAME	TOTAL	EDUCATION	GOVERNMENT	NON-LIMITED	AV
0001	GENERAL COUNTY	2.8487		2.8487		
0208	SCHOOL DIST #8 HERMISTON	4.8877	4.8877			
0320	INTERMOUNTAIN E.S.D.	0.6156	0.6156			
0330	BMCC	0.6611	0.6611			
0331	BMCC BOND	0.1978			0.1978	
0350	PORT OF UMATILLA	0.1539		0.1539		
0405	FD 5 UMATILLA RURAL FIRE PD (7-405)	0.8511		0.8511		
0425	FD 5 UMATILLA RURAL FIRE PD BOND	0.1582			0.1582	
0450	UMATILLA MORROW RADIO & DATA DISTRI	0.1700		0.1700		
0508	CEMETERY DIST 8 HERMISTON	0.0923		0.0923		
0640	UMATILLA HOSPITAL DIST	0.4820		0.4820		
0650	W. UMATILLA MOSQUITO CONTROL	0.2021		0.2021		
0690	UMATILLA SPECIAL LIBRARY DIST	0.3682		0.3682		
2882	SCHOOL DIST #8 HERMISTON BOND - 2	3.5137			3.5137	
		<b>15.2024</b>	<b>6.1644</b>	<b>5.1683</b>	<b>3.8697</b>	<b>\$2,355,781</b>

THE BOARD OF COMMISSIONERS OF UMATILLA COUNTY

STATE OF OREGON

In the Matter of Changing )  
Boundary of Greater ) Order No. BCC2022-010  
Hermiston Enterprise Zone )

WHEREAS the City of Hermiston successfully applied for an enterprise zone, which was designated as the Hermiston Enterprise Zone by the Oregon Economic and Community Development Department on July 1, 2015, and is now known as the Greater Hermiston Enterprise Zone;

WHEREAS the Greater Hermiston Enterprise Zone currently covers the corporate limits of Hermiston, as well as one individual tax lot outside of the City of Hermiston and the 32 parcels added in 2017;

WHEREAS the City of Hermiston sponsors the Greater Hermiston Enterprise Zone jointly with Umatilla County, and the two have determined to modify its boundary;

WHEREAS, the enterprise zone has a total area of 8.86 square miles as indicated on Exhibit A; it meets other statutory limitations on size and configuration;

WHEREAS it is proposed to add about 1.34 square miles to the zone, an 15% increase in total area in the zone, shown on Exhibit A, and generally described as the portions of Sections 27, 28, 29 and 30, Township 4 North, Range 28, E.W.M., lying north of the Union Pacific Railroad Main Line and westerly of the Umatilla River, including the tax lots listed on Exhibit B as Tract D;

WHEREAS, the modification of the enterprise zone does not grant or imply permission to develop land within the Zone without complying with all prevailing zoning, regulatory and permitting processes and restrictions of any and all local jurisdictions; nor does it indicate any public intent to modify those processes or restrictions, except as otherwise done in accordance with Comprehensive Plans as acknowledged by the State of Oregon Land Conservation and Development Commission (LCDC);

WHEREAS, this Enterprise Zone and the tax exemption that it offers for new investments in plant and equipment by eligible business firms are critical elements of City and County efforts to increase employment opportunities, to raise local incomes, to attract investments by new and existing businesses and to secure and diversify the local economic base;

WHEREAS Umatilla County is interested in encouraging large scale investments that will boost the long-term valuation of taxing jurisdictions which serve Hermiston and County residents.

WHEREAS the City shall continue to fulfill its duties and implement provisions jointly with Umatilla County under ORS 285C.105 or elsewhere in ORS Chapter 285C and related parts of Oregon Law;

WHEREAS the Hermiston City Council approved the enterprise zone expansion on February 28, 2022, and the Port of Umatilla provided its consent on March 8, 2022.

NOW THEREFORE, the Board of Commissioners finds, orders and resolves that:

1. Pursuant to ORS 285C.115, and jointly with the City of Hermiston, the boundary of the Hermiston Enterprise Zone, is changed to include 1.34 square miles as shown and described on Exhibits A and B.

2. The Greater Hermiston Enterprise Zone Manager, Mark Morgan, is authorized to submit documentation for this enterprise zone boundary change to the Oregon Business Development Department (OBDD) on behalf of Umatilla County for purposes of a positive determination in favor under ORS 285C.117.

3. This enterprise zone boundary change takes effect on the date that this change is adopted by both the City of Hermiston and Umatilla County, or later, as so stipulated by OBDD in its determination pursuant to any revision and resubmission of documentation.

DATED this 16<sup>th</sup> day of March, 2022.

UMATILLA COUNTY BOARD OF COMMISSIONERS

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John M. Shafer, Chair

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Daniel N. Dorran, Commissioner

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George L. Murdock, Commissioner

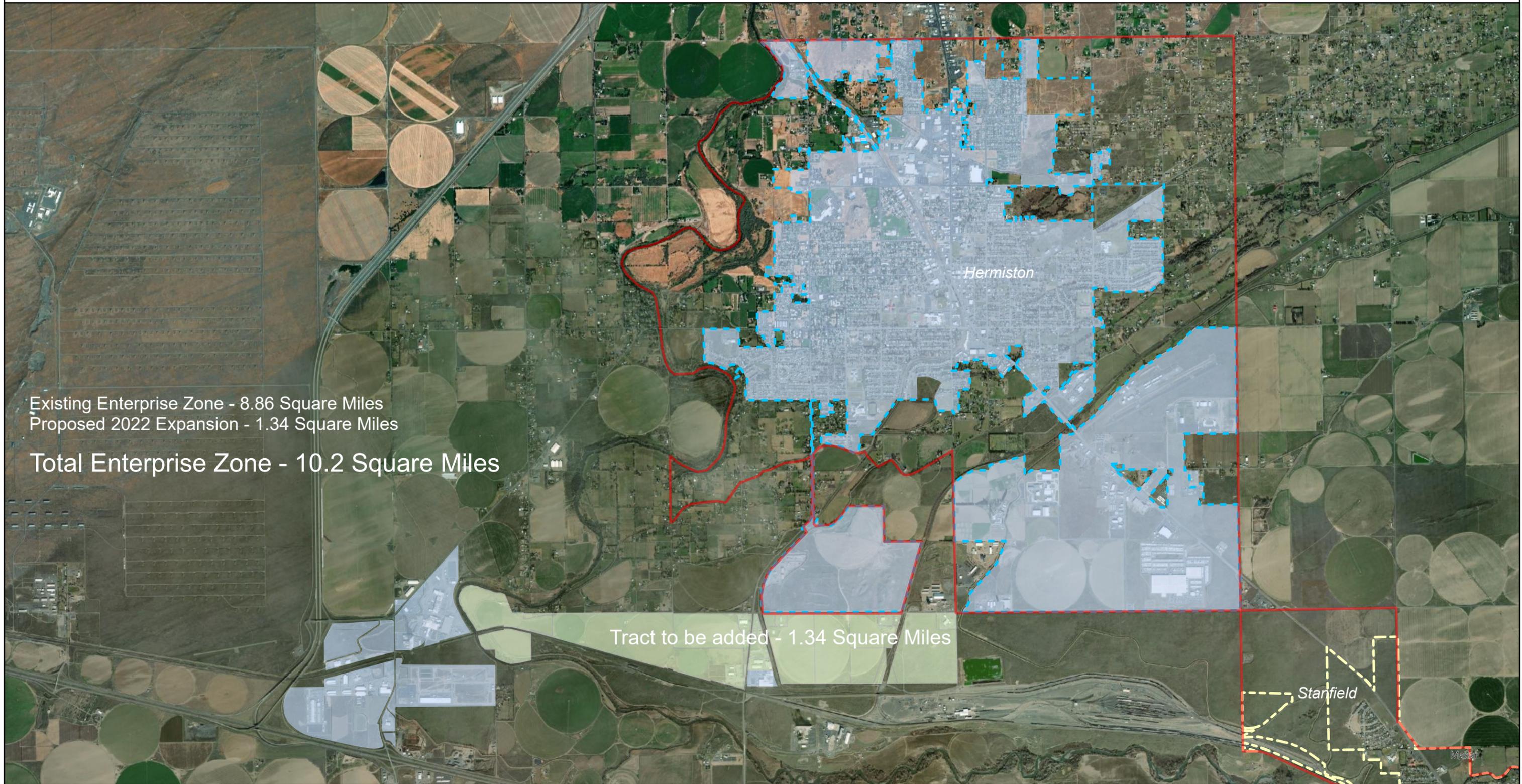
ATTEST:  
OFFICE OF COUNTY RECORDS

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Records Officer

# Exhibit A - Greater Hermiston Enterprise Zone

## 2022 Expansion Area



Existing Enterprise Zone - 8.86 Square Miles  
Proposed 2022 Expansion - 1.34 Square Miles

Total Enterprise Zone - 10.2 Square Miles

Tract to be added - 1.34 Square Miles



### Legend

- Greater Hermiston Enterprise Zone 2022 Expansion
- Greater Hermiston Enterprise Zone Boundary
- Hermiston City Limits
- Stanfield City Limits
- Urban Growth Boundary



Exhibit B  
 Greater Hermiston Area Enterprise Expansion 2022

Description of Zone Area, all being East of Willamette Meridian

Tract A:

The city limits of the City of Hermiston as of August 14, 2017 at the time of the most recent annexation per Ordinance No. 2247.

Tract B:

A parcel of land located in the Northeast Quarter of Section 28, Township 4 North, Range 28, and described as tax lots 4N2828A-700, -700A2, and -700A6 on the Umatilla County Assessor Maps.

Tract C (2017):

Thirty-two (32) parcels of land located in Section 25, Township 4 North, Range 27, and Sections 19 and 30, Township 4 North, Range 28, and described as follows on the Umatilla County Assessor Maps:

MAP	TAX LOT	MAP	TAX LOTS
4N2725	300	4N2830	100
4N2725	400	4N2830	200
4N2725	500	4N2830	400
4N2725	600	4N2830	500
4N2725	700	4N2830	1100
4N2725	800	4N2830	1500
4N2725A	200	4N28C	2220
4N2725A	201	4N28C	2900
4N2725A	202	4N28C	2903
4N2725A	400	4N28C	3000
4N2725A	500	4N28C	2206
4N2725A	501	4N28C	2217
4N2725A	502		
4N2725A	505		
4N2725A	506		
4N2725A	600		
4N2725A	700		
4N2725A	900		
4N2725A	901		
4N2725A	902		

Tract D:

MAP	TAX LOT
4N28	600
4N28	800
4N2827	100
4N2827	200
4N2827	300
4N2827	400
4N2827	500
4N2827	600
4N2827	700
4N2827	800
4N2827	900
4N2827	1000
4N2827	1100
4N2828	100
4N2828	200
4N2828A	100
4N2828A	101
4N2828A	102
4N2828A	200
4N2828A	300
4N2828A	400
4N2828A	500
4N2828A	600